

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Carrier Branch**

RESOLUTION T-16814

R E S O L U T I O N

Resolution T-16814. Verizon California Inc. (U-1002-C) Requests Authority to Grandfather Its Packet Switching Network Services, Including X.25 and X.75 Protocol, B Packets and D Packets in Tariff Schedules Cal. P.U.C. Nos. A-2, CentraNet Service, A-25 Integrated Services Digital Network Services, C-1 Facilities for Intrastate Access, Advanced Communications Access, K-5 Resale Services and P-2 Shared Private Line Services.

By Advice Letter No. 10670 - Filed November 20, 2003.

Summary

This Resolution approves Verizon California Inc.'s (Verizon) request to grandfather its Packet Switching Network Services, which includes X.25 and X.75 Protocol, B Packets and D Packets. These services are in Verizon's tariff Schedules Cal. P.U.C. Nos. A-2, CentraNet Service; A-25 Integrated Services Digital Network Services; C-1 Facilities for Intrastate Access, Advanced Communications Access; K-5 Resale Services; and P-2 Shared Private Line Services.

Background

By Advice Letter (AL) No. 10670, filed November 20, 2003, Verizon requests authority to grandfather Packet Switching Network Services (PSNS), which includes X.25 and X.75 Protocol, B Packets and D Packets as tariffed offerings. Through a data response Verizon states there are 88 customers who currently subscribe to a service that has the X.25 packet service and that Customer Notification Letters will be mailed to these customers. Also through a data response, Verizon informed staff that it does not presently have any customers for its X.75 packet service.

In this advice letter, Verizon also requests authority to withdraw these services effective on December 31, 2006.

Packet switching refers to a format for transmitting data between two devices in which messages are divided into packets before they are sent. Each packet is then transmitted individually and can even follow different routes to its destination. Once all the packets forming a message arrive at the destination, they are recompiled into the original message.

A packet-switched network is an interconnected set of networks that are joined by routers or switching routers. The most common packet-switching technology is Transmission Control Protocol/Internet Protocol (TCP/IP), and the Internet is the largest packet-switched network. Other packet-switched network technologies include X.25 and IPX/SPX (the original Novell NetWare protocols).

A Packet Switching Network Service uses packet switch technology to provide a switched data transport service. This service uses analog and digital facilities to provide transport for a variety of interactive data applications between two or more customer designated locations. This service is based on CCITT (Committee on International Telegraphy and Telephony) X.25 protocol and X.75 Internet working protocol, which provides the foundation for Public Switched Networks.

Verizon requests these services be discontinued effective December 31, 2006 because it has been informed by manufacturer Nortel Networks that it will no longer provide general hardware and software support to Verizon for its Packet Switching Network Services after December 31, 2006. Verizon indicates that these services will eventually become obsolete, as there is no replacement technology available at this time.

Verizon has provided TD a Service Bulletin dated January 28, 2002, from Nortel Networks, which confirms that the manufacturing of the equipment required to maintain these services will be discontinued as of December 31, 2002. The bulletin also indicates that Nortel Networks will also discontinue the general hardware and software support to Verizon after December 31, 2006.

Resolution No. T-9598, dated March 22, 1977, authorizes the Executive Director to grant requests to freeze or limit communications utility services of equipment that has been manufacturer discontinued.

Verizon requests that the effective date of its grandfathering request be established by Commission Resolution.

Notice/Protests

Verizon states that copies of the Advice Letter were mailed to interested utilities and/or parties. Notice of AL No. 10670 was published in the Commission Daily Calendar of November 26, 2003. No protests to this Advice Letter have been received.

Discussion

Resolution No. T-9598, dated March 22, 1977, authorizes the Executive Director to grant requests for freezing or limiting communications utility tariff offerings of equipment which has been manufacturer discontinued.

Additional relevant Commission Rules are embedded in Verizon's General Exchange Tariff; Section 3; Rules & Regulations; Definitions, which states:

"Frozen/ Grandfathered Service/ Service Limited to Existing Customers – The term "frozen/grandfathered service" applies to an obsolete and/or outdated service the Utility no longer wishes to provide. The freezing/grandfathering of a service is the Utilities method of managing a tariff for this service prior to ultimately discontinuing the service, or change existing tariff regulations without discontinuing certain rights privileges or conditions of the service to existing customers."

"Existing Customers – Customers or subscribers to a service at a specific point of time. Often used in reference to those customers of record at the time that a service is classified as frozen, grandfathered or limited to existing customers."

The Telecommunications Division (TD) has reviewed and analyzed the tariff changes requested by Verizon in Advice Letter No. 10670, and finds that Verizon's request to grandfather these services is just and reasonable and complies with Commission Resolution No. T-9598 and Commission rules embedded in Verizon's tariff rules cited above. However, TD recommends that Verizon's request to withdraw these services effective December 31, 2006, be denied at this time for the reasons stated below. Additionally, TD also recommends that Verizon make changes to the "Customer Notification Letters" that it plans to mail to existing customers subscribing to PSNS notifying them of this service change, so that it is clear to the customers that the services are only being "grandfathered" and are not being discontinued at this time.

Regarding Verizon's request to withdraw these services effective December 31, 2006, TD recommends that Verizon be ordered to file another advice letter to withdraw these services no earlier than six months prior to this effective date. TD has no objections to Verizon's withdraw of its PSNS effective December 31, 2006, provided the technological conditions detailed in Advice Letter 10670, still exist in 2006. TD also recommends that Verizon be ordered to mail another notice, at the same time that it files this second advice letter, to its existing customers informing them that these Packet Switching Network Services will be discontinued as of December 31, 2006. This notice will ensure that all existing customers are reminded that they will be required to find alternative services.

Commission approval of TD's recommendations are based on the specifics of this Advice Letter and its associated tariff sheets, and does not establish a precedent for the contents of future filings or for Commission approval of similar requests.

Findings

1. Verizon requests to grandfather Packet Switching Network Services (PSNS), which includes X.25 and X.75 Protocol, B Packets and D Packets as tariffed offerings.
2. Verizon requests to withdraw grandfather PSNS, effective December 31, 2006.
3. Verizon states there are eighty-eight customers who currently subscribe to a service that has the X.25 packet service.
4. Verizon states that Customer Notification Letters will be mailed to customers subscribing to PSNS.
5. Through a data request, Verizon informed staff that it does not presently have any customers for its X.75 packet service.
6. Verizon states that Nortel Networks, the manufacturer, will no longer provide general hardware and software support to Verizon after December 31, 2006.
7. Verizon has provided a service Bulletin dated January 28, 2002, from Nortel Networks, which confirms the manufacture discontinuance of the equipment required to maintain these services as well as the discontinuance of general hardware and software support to Verizon after December 31, 2006.
8. TD finds that Verizon's request to grandfather its Packet Switching Network Services, which includes X.25 and X.75 Protocol, B Packets and D Packets as tariffed offerings, is just and reasonable and should be granted.
9. TD recommends that Verizon's request to discontinue its Packet Switching Network Services, effective December 31, 2006, be denied at this time.
10. TD recommends that Verizon file a second advice letter to withdraw these services, no earlier than six months prior to its requested effective date of December 31, 2006.
11. TD recommends that Verizon mail another Customer Notification Letter to its existing customers at the same time that it files this second advice letter.
12. The Commission approves all of TD's foregoing recommendations.

THEREFORE, IT IS ORDERED that:

1. Verizon is authorized to make tariff revisions to grandfather its Packet Switching Network Services, which includes X.25 and X.75 Protocol, B Packets and D Packets as tariffed offerings contained in Verizon California Inc.'s Advice Letter No. 10670 effective on the effective date of this resolution.
2. Verizon's request to discontinue its Packet Switching Network Services, effective December 31, 2006, is denied at this time.
3. Verizon shall mail Customer Notification Letters to its existing customers, which will inform them that these services are being "grandfathered" at this time but will make no mention of the services being discontinued.
4. Verizon may file a second advice letter to withdraw these services, no earlier than six months prior to the effective date of December 31, 2006. Verizon shall make reference to this Resolution (Number T-16814) in its second advice letter.
5. At the time of the second advice letter filing, Verizon shall mail another Customer Notification Letter to its existing customers, informing them: a) that Verizon's Packet Switching Network Services will be discontinued, b) the date of the discontinuance, and, c) that customers should find other service alternatives.
6. Within 10-days from the effective date of this resolution, Verizon shall file a supplement to Advice Letter No. 10670 which contains corrected tariff sheets which exclude any language associated with the withdraw of its Packet Switching Network Services.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by Executive Action Resolution on January 12, 2004.

/s/ WILLIAM AHERN

WILLIAM AHERN
Executive Director